

FRANCHISING AS A BUSINESS CONCEPT



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- Chain Stores
- “Best Ambassador of Free Enterprise in the World”
- Misunderstood



WHAT IS FRANCHISING?

- Privilege or Freedom
- Arrangement between Franchisor and Franchisee
- Relationship with Responsibilities

RESPONSIBILITIES

- FRANCHISOR:
 - Proven Business System
 - Established Trademark
 - 'Replicates' to Grow Brand
 - Experience, Know-How, Training
 - Expands Cost Effectively

- FRANCHISEE:
 - Ready Made Business Package
 - Right to use Trade Mark, Business Concept
 - Follows Standards, Procedures etc. in Managing Franchise
 - Market Brand
 - Pay Management Service and Advertising Fees

BUSINESS FORMAT FRANCHISING

- Ongoing Relationship between Franchisor and the franchisee this includes:
 - Product, Service and Trademark
 - Entire Business System

BUSINESS FORMAT FRANCHISING CHARACTERISTICS:

- Franchisee Loses His / Her Identity
- Operating System
- Support System
- Continuous Financial Arrangement

WHAT FRANCHISING IS NOT!

- A Distributorship or a Dealer
- Agency
- Multilevel Marketing
- Licensing
- Idea

RELATIONAL DYNAMICS OR FRANCHISING

- Wealth Creation
- Communications
- The Brand
- Exit Costs



GLOSSARY OF TERMS